THE MADRAS LEGISLATIVE COUNCIL

Tuesday, the 31st January 1961.

The House met in the Council Chamber, Fort St. George, at three of the clock, Mr. Chairman (THE HON. DR. P. V. CHERIAN) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Enteric (typhoid) fever

* *S.N.Q. No.* 1.—VIDWAN T. MUTHUKANNAPPAN : **Will** the Hon. the Minister for Revenue be pleased to state—

(*a*) whether there is any outbreak of enteric (typhoid) **fever** in the City of Madras;

(*b*) if so, the places where it is prevalent;

(*c*) the causes for the outbreak; and

(*d*) the steps taken or proposed to be taken to check the spreading of the disease?

THE HON. SRI M. A. MANICKAVELU : (*a*) The incidence of the fever which was prevailing in the year 1960 in a mild form showed a sharp increase in November and December.

(*b*) Triplicane, Mirsahibpet and T. Nagar.

(*c*) The fever was prevailing only in a mild form.

(*d*) The Corporation is undertaking extra chlorination of water, anti-fly measures, T.A.E. Vaccinations and control of **food** supplies.

VIDWAN T. MUTHUKANNAPPAN : *அதனால் எத்தனை பேர் பாதிக்கப்பட்டிருக்கிறார்கள்? எத்தனை பேர் இறந்திருக்கிறார்கள் இதுவரையில்?*

THE HON. SRI M. A. MANICKAVELU : *அதைப்பற்றிய தகவல் இங்கு இல்லை. இறந்ததாக ஒன்றும் இருக்காது என்று நினைக்கிறேன்.*

VIDWAN T. MUTHUKANNAPPAN : *சென்னை நகரம், பெரிய முனிசிபாலிடி இவைகளில் இவ்விதமான தொத்து நோய்களைக் கட்டுப்படுத்தவும், கண்காணிக்கவும் டைரக்டர் ஆப் பப்ளிக் ஹெல்த்துக்குப் பூரண அதிகாரம் இல்லையென்பது மந்திரி அவர்களுக்குத் தெரியுமா? தடுப்பு நடவடிக்கை தாமதப்படுவதற்கு ஒரு காரணம் என்பது தெரியுமா?*

THE HON. SRI M. A. MANICKAVELU : *அது ஒரு காரணம் என்று ஊகிக்கலாம். தொத்து நோயைத் தடுப்பதற்காக இன்னும் அதிக அதிகாரம் கொடுத்து செய்யவேண்டுமென்றுதான் இப்போது பப்ளிக் ஹெல்த் டைரக்டர் ஒரு திட்டம் கொடுத்திருக்*

இருர். அதைக் கார்ப்பரேஷனுக்கு அனுப்பியிருக்கிறேம். குறிப்பாக அது வைசூரியைப் பொறுத்தது. அது அமுலில் வந்தால் மற்ற தொத்து நோய்களுக்கும் அதே முறையைப் பின்பற்றலாம் என்று நினைக்கிறேம்.

SRI MOHAMED RAZA KHAN : Can the Hon. Minister tell us why it is confined to areas like Triplicane, Mirsahibpet and T'Nagar only?

THE HON. SRI M. A. MANICKAVELU : I thought the hon. Member was himself living in Triplicane and must be knowing the reasons.

SRI MOHAMED RAZA KHAN : I am in Royapettah. Will he give the reasons?

THE HON. SRI M. A. MANICKAVELU : They are crowded areas with a mixed population. They do not take proper care of their health. They do not have good eating habits. There is a hospital called ' Red Crescent Hospital ' to which I was once invited for a function. They arranged a tea party and all around the place there were lot of flies and I could not see the eatables on the table. (Laughter.) It was very bad and I immediately asked the authorities to go and inspect the place and do something to improve the condition.

SRI MOHAMED RAZA KHAN : May I take it that if in future any area is affected like that, the people there should invite the Hon. Minister to a party (laughter) and that then only things are likely to improve?

THE HON. SRI M. A. MANICKAVELU : We see that improvements take place in the matter of roads and communications when the Governor or some Minister makes a visit. (Laughter.)

SRI T. P. SRINIVASAVARADAN : Is the nuisance in these places particularly due to the slums and huts and cattle found along the banks of the Buckingham Canal?

THE HON. SRI M. A. MANICKAVELU : We cannot say definitely. Slums are found everywhere. There are any number of slums at other places also.

Election Campaign

* 47 *Q.*—SRI T. P. SRINIVASAVARADAN : Will the Hon. the Chief Minister be pleased to state whether there is any proposal to bring in legislation to make it an election offence to utilise students below the age of 17 for the purpose of political propaganda or election campaign?

THE HON. SRI R. VENKATARAMAN (on behalf of the Hon. the Chief Minister) : No, Sir.

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SRI T. P. SRINIVASAVARADAN : Are the Government aware that in many institutions there are literary associations which are following some political party or other and that during the elections the boys are dragged in by the respective political parties for election work? Even during normal working hours, there is quarrel as a result of which there is much indiscipline in schools. **What action do the Government propose to take in such cases?**

THE HON. SRI R. VENKATARAMAN : The Government are aware of this problem and that is why they convened an all-party meeting to consider what steps should be taken to prevent students indulging in active party politics. There was a series of meetings and unfortunately the party leaders could not come to any agreement. At least one party leader definitely declined to be associated with the convention or even a sort of an informal gentleman's agreement. Therefore, it has not been possible to do anything.

SRI T. P. SRINIVASAVARADAN : Is it because that one party leader refused to agree, while all other parties agreed, there should not be any sort of control over these boys? Did the Government give up the attempt because of this? At least is it not in the interests of the students that they should come forward and do something in the matter?

THE HON. SRI R. VENKATARAMAN : As it is, the Madras Educational Rule 94 provides that students of schools and colleges should abstain from active participation in communal or party politics. The question is not one of lack of legislation but difficulty of enforcement.

SRI M. ETHIRAJALU : *சொந்தப் பணம் செலவு செய்து படிக்கக்கூடிய மாணவர்கள் விஷயத்தில் சட்டத்தால் ஒன்றும் செய்ய முடியவில்லையென்றால், அரசாங்க உதவி பெற்றுப் படிக்கும் மாணவர்கள் அரசியலில் ஈடுபட்டார்களானால் சர்க்கார் கொடுக்கும் சம்பளச் சலுகையை நிறுத்துவதற்கு சர்க்கார் உத்தேசிக்குமா?*

THE HON. SRI R. VENKATARAMAN : There is already an educational rule to that effect. As I said, it is not lack of rules and regulations that stands in the way. It is very difficult to enforce all these. Unless the party leaders agree not to utilise these people for party politics, nothing can be done.

SRI MOHAMED RAZA KHAN : Apart from the Government or the political parties coming forward to prevent children from doing electioneering work—I agree children are really more capable in election work—why not prevent the parents from allowing their children to participate in election campaigns?

THE HON. SRI R. VENKATARAMAN : I do not know whether this question is addressed to me as a parent or Minister. (Laughter.)

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SRI K. BALASUBRAMANYA AYYAR : I am not talking about crimes when I put this suggestion. Why not treat it as an election offence, an offence punishable with 2,000 rupees fine or something like that? This is a simple question.

THE HON. SRI R. VENKATARAMAN : That has already been examined. I am afraid there are different views on the subject and we are unable to say whether it would or would not offend article 19 (2) of the Constitution. Since there is no clear legal view on that question, Government are not able to proceed with it at all.

SRI T. P. SRINIVASAVARADAN : These children are minors. They are below 17 years. It is these minors that are dragged into the elections. Are the Government aware of the fact that in Western countries there is an understanding among the political parties and also the Government that students should not be involved in any political propaganda and election work? Why not the Government here follow that?

THE HON. SRI R. VENKATARAMAN : Not only are the Government aware. I am personally aware that students in Western countries do not participate in any election work. But I thought that the restraint came more from the students and homes than from the Government.

State Transport buses from Madras to Mepur

* 48 *Q.*—SRI S. K. SAMBANDHAN : Will the Hon. the Minister for Industries be pleased to state—

(*a*) whether there is any proposal to run State Transport buses from Madras to Mepur; and

(*b*) if so, the stage at which the matter now stands?

THE HON. SRI R. VENKATARAMAN : (*a*) & (*b*) The Madras State Transport Department is operating two services on the route Madras–Mepur with effect from 1st September 1960.

SRI S. K. SAMBANDHAN : With reference to the answer given by the Hon. Minister yesterday, viz., that no shorter route was taken over by the Government Transport, how is it that this route was taken over?

THE HON. SRI R. VENKATARAMAN : The decision to run long-distance services was taken only in December 1960 and this was taken over in September 1960.

Sri Thiruvatheeswarar temple

* 49 *Q.*—DR. A. SREENIVASAN : Will the Hon. the Minister for Home be pleased to state—

(*a*) whether any instances of removal of contents of the Undi of Sri Thiruvatheeswarar temple at Triplicane, Madras, have been brought to the notice of the Government: and

(*b*) if so, the action taken or proposed to be taken thereon?

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THE HON. SRI M. BHAKTAVATSALAM : (a) No, Sir. The Government understand that an unsuccessful attempt was made to open a temporary *undial*. The contents of the *undial* were never removed and nothing was lost.

(b) The Devasthanam authorities have been instructed to use iron *undials* and have them fixed permanently.

DR. A. SREENIVASAN : Who brought this tampering to the notice of the Government, the Executive Officer?

THE HON. SRI M. BHAKTAVATSALAM : Whoever has brought it to our notice, the Assistant Commissioner has taken steps to issue instructions to the effect that the undial should be made of iron and permanently fixed.

DR. A. SREENIVASAN : Is there any rule regarding the opening of the undis in temples?

THE HON. SRI M. BHAKTAVATSALAM : Rules vary from temple to temple. It is not a stereotyped rule that is being observed.

DR. A. SREENIVASAN : Is it not a fact that the trustee in question opened the *undial* on his own without the knowledge of anybody and did not even tell the authorities what amount was found in it?

THE HON. SRI M. BHAKTAVATSALAM : I have no information about it.

DR. A. CHIDAMBARANATHAN : Are there precautions like double-lock system in regard to these *undis* in temples? If not, will the Government insist on such things in future?

THE HON. SRI M. BHAKTAVATSALAM : It is all there; but this was a temporary *undial* and, therefore, the Assistant Commissioner has instructed that it should be of iron and permanently fixed at particular points.

DR. A. SREENIVASAN : Will Government take legal proceedings against this trustee for recovery of the money?

THE HON. SRI M. BHAKTAVATSALAM : Nothing has been lost and so no question of recovery arises.

Supply of pesticides

* 50 *Q.*—MR. CHAIRMAN : The hon. Member is not in his seat. The question together with the answer will be published in the Official Report of the proceedings. 3-10 p.m.

* 50 *Q.*—SRI A. K. THANGAVEL MUDALIAR : Will the Hon. the Minister for Home be pleased to state whether there is any proposal to supply to the agriculturists in Chingleput and North Arcot districts, pesticides at half the rate for the protection of groundnut crops?

THE HON. SRI M. BHAKTAVATSALAM : The Plant Protection Centres in this State will be re-allocated at the rate of one for each division of the Deputy Director of Agriculture. The facilities of staff, equipment and chemicals available with the squad proposed for the Deputy Director of Agriculture, Madras, will be available for the North Arcot and Chingleput districts also.

Stray dogs

* 51 *Q*.—SRI T. P. SRINIVASAVARADAN : Will the Hon. the Minister for Revenue be pleased to state—

(*a*) whether any tax is levied on dogs in the City of Madras and if so, what it is; and

(*a*) the arrangements, if any, made for the destruction of stray dogs?

THE HON. SRI M. A. MANICKAVELU : (*a*) Yes, Sir. A half-yearly tax of Re. 1 per dog is levied by the Corporation of Madras.

(*b*) Stray dogs and unlicensed ones are caught by skilled dog-catchers and they are removed in vans to the Lethal Chamber at Basin Bridge and are destroyed by electrocution, if they are not claimed by the owners within three days.

SRI T. P. SRINIVASAVARADAN : Are the Government aware of the fact that in the months of September and October 1960 there were number of stray dogs in the city and a number of children were bitten by them? Are the Government aware of the number of letters published in the press about these?

THE HON. SRI M. A. MANICKAVELU : Sir, my attention was not pointedly drawn to it. But I may mention that on a average about 120 to 230 dogs are caught daily and removed to the lethal chamber of the Corporation. I think at this rate the whole race of undesirable dogs would disappear. (Laughter).

SRI S. NATARAJAN : Who is responsible for the removal of stray dogs?

THE HON. SRI M. A. MANICKAVELU : The Corporation of Madras.

SRI S. K. SAMBANDHAN : What is the method of destruction adopted in the municipalities?

THE HON. SRI M. A. MANICKAVELU : I think they have now the lethal chamber. But in the good old days when I was a student, the method adopted was cudgelling. (Laughter.) I do not think this is now happening anywhere,

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SRI M. ETHIRAJALU : ஜில்லாவில் பிடிக்கக்கூடிய நாய்களை அன்றே கொண்டுவந்து கொன்றுவிடுகிறார்கள். ஆனால் சென்னையில் 3 நாட்கள் வைத்திருப்பதாகச் சொல்லப்படுகிறது. ஜில்லாவில் ஏன் அப்படிச் செய்கிறார்கள்?

THE HON. SRI M. A. MANICKAVELU : அங்கே வைக்க இடம் இல்லை. மேலும் பெரியவாளெல்லாம் இங்கே இருக்கிறார்கள். (சிரிப்பு)

SRI T. P. SRINIVASAVARADAN : Did any parent claim any damages from Government for his child being bitten by the stray dog?

THE HON. SRI M. A. MANICKAVELU : Not to my knowledge.

Fertiliser plant

* 52 *Q.*—DR. A. SREENIVASAN : Will the Hon. the Minister for Revenue be pleased to state—

(*a*) whether any fertiliser plant has been erected at Avadi;

(*b*) if so, whether it is inspected periodically by the Public Health authorities to study its effect on public health;

(*c*) when it was last inspected; and

(*d*) to place a copy of the Inspection Report on the table of the House?

THE HON. SRI M. A. MANICKAVELU : (*a*) & (*b*) Yes.

(*c*) 15th December 1960.

(*d*) A copy * of the inspection report is placed on the table of the House.

DR. A. SREENIVASAN : Has the firm made further improvements in the disposal of the waste from the factory since we discussed it here last time?

THE HON. SRI M. A. MANICKAVELU : They have made arrangements to take it by lorries. There is slight leakage during transit and to avoid that they say they have adopted some better arrangement. Some time, two or three months must pass, to see whether there has been any real improvement. If there is no improvement then we will take further action.

Calendar and diary

* 53 *Q.*—VIDWAN T. MUTHUKANNAPPAN : Will the Hon. the Minister for Electricity be pleased to state—

(*a*) whether any calendar and diary are published every year by the Government;

(*b*) if so, whether Tamil year and months are also printed in them; and

(*c*) if not, the reasons therefor?

THE HON. SRI V. RAMAIAH : (*a*) Yes.

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* Printed as Appendix I on page 271 272 *infra*.

(b) No.

(c) The question did not arise as Tamil year, months and dates have not been adopted for official purposes.

VIDWAN T. MUTHUKANNAPPAN : நமக்கு என்று சொந்தமாக வருஷம், மாதம், தேதி இருக்கின்றன. அவை குறிக்கப்பெறாதது ஒரு குறையாகத் தோன்றவில்லையா ? இனிமேல் அவற்றைக் குறிப்பிட அரசாங்கம் நடவடிக்கை எடுக்குமா ?

THE HON. SRI V. RAMAIAH : முதல் கேள்வியில் (சி) க்கு விடையளிக்கும்போதே குறிப்பிடப்பட்டது. Official purposes காக அதைப் பயன்படுத்தவேண்டுமென்று நினைப்பதால் அரசாங்கம் அதைக் குறிப்பிட்டது. அவசியமானால் அதையும் குறித்து ஆவன செய்யலாம்.

DR. A. CHIDAMBARANATHAN : அந்த நாட்குறிப்பேடு நிரம்பியதாக இல்லை என்பதும் குறைபாடாக இருக்கிறதென்பதும் அரசாங்கத்திற்கு தெரியவருமா ? எடுத்துக் காட்டாக இங்குள்ள உறுப்பினர் சிலருடைய முகவரிகள் சரியாகக் காணப்படவில்லை என்பதும் மந்திரிகள் சிலருடைய துறைகள் சரியாகக் குறிக்கப் படவில்லை என்பதும் அரசாங்கத்திற்குத் தெரியுமா ?

THE HON. SRI V. RAMAIAH : கனம் அங்கத்தினர் அவர்கள் சட்டசபை அங்கத்தினர்களுக்கு வழங்கப்பட்டிருக்கிற நாட் குறிப்பைப்பற்றிச் சொல்கிறார்கள். கேள்வியில் இருக்கக்கூடியது அரசாங்க இலாக்காக்களுக்கு அனுப்பக்கூடிய காலண்டர்களைப் பற்றியது. எந்தக் காலண்டராக இருந்தாலும் எங்கெங்கே தவறுகள் அல்லது குறைபாடுகள் இருக்கின்றனவோ அதை நேரில் எனக்கு எழுதி அனுப்பினால் அதைப் பரிசீலனை செய்து அதற்கு ஆவன செய்யலாம்.

Power load

* 54 Q.—SRI T. P. SRINIVASAVARADAN : Will the Hon. the Minister for Electricity be pleased to state—

(a) whether any restriction of power load was imposed in Coimbatore town between 6 p.m. and 10 p.m. in April and May, 1960;

(b) whether there was any violation of the restriction during that period; and

(c) if so, the penalties imposed therefor?

THE HON. SRI V. RAMAIAH : (a) All the industrial loads whether supplied at Low Tension or High Tension are not allowed to run during the evening peak load period from 6 p.m. to 10 p.m. each day as per the existing Restriction and Control Orders in force

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in the Hydro-Electric areas. This restriction was also applicable to industrial loads in Coimbatore Town in April and May 1960.

(b) Yes, Sir.

(c) Current consumption charges based on lighting tariff was collected as penalty in all the cases except in one case where supply was restored after obtaining an undertaking that supply will not be utilised during the evening peak load hours. As it is usual only to disconnect supply for violation of restriction and control orders and reconnect supply after collecting charges for reconnection, the excess rates collected have since been refunded.

SRI T. P. SRINIVASAVARADAN : Is it a fact that the violation takes place only between the hours of 6 and 10 p.m.?

THE HON. SRI V. RAMAIAH : Wherever there is violation, they have been heavily penalised and they have been asked to pay heavy rates.

SRI T. P. SRINIVASAVARADAN : Is it a fact that by doing so, that is, violating the rules between 6 and 10 p.m., they gain more because the penalty imposed by the Government is nothing compared to the gain made by them?

THE HON. SRI V. RAMAIAH : If they are prepared to pay heavy penalty, they must naturally be earning more. But if they persist in violating the rules, we have a provision to disconnect the supply altogether. So, they are not normally prepared to face such drastic steps being taken against them.

SRI T. P. SRINIVASAVARADAN : May I know in how many cases the supply was disconnected?

THE HON. SRI V. RAMAIAH : I have just stated that it was done in one case. Later after the party paid the normal connecting and reconnecting charges, the supply was restored.

State Electricity Board

* 55 Q.—DR. A SREENIVASAN : Will the Hon. the Minister for Electricity be pleased to state—

(a) whether the attention of the Government has been drawn to the appointment in the State Electricity Board as a clerk of a woman who had already been debarred from employment in any department of public service for the alteration of her birth certificate, both by the Public Service Commission and the Government; and

(b) if so, the circumstances under which the appointment was made?

THE HON. SRI V. RAMAIAH : (a) & (b) Yes, Sir. The woman employee in question was in the service of the State Electricity Board as a steno-typist when the Government issued orders debarring her from employment in Public Service. After the debarment

order was issued, the Government requested the State Electricity Board to terminate her appointment, as they considered it undesirable to continue to employ under the Board any person who has been debarred from Government service. The Board has not accepted the view of the Government. The matter is being further examined by the Government.

DR. A. SREENIVASAN : Sir, what is the constitutional relationship between the Electricity Board and the Government of Madras who are lending so much money to the Electricity Board?

THE HON. SRI V. RAMAIAH : I am sure if the hon. Member will go through the Act he will find that Government have overall control over the Board. But under the Act as such, they are an autonomous body and in the matter of small appointments they have a right to appoint or dismiss as they like.

DR. A. SREENIVASAN : Is it not a criminal offence to alter the date of birth in the certificte whether she be employed in Government service or quasi-government service? How can we condone it and how can the Government allow the Electricity Board to still allow the person to continue in employment?

THE HON. SRI V. RAMAIAH : The Government took a serious ncte of it—the alteration of the date of birth in the certificate of birth—and they have debarred her from employment. But the Electricity Board are, as I have said, an autonomous body and therefore we have asked them to consider the view of the Government in the matter instead of pressing the Board to accept the decision of the Government.

DR. A. SREENIVASAN : If ultimately the Electricity Board were to disobey the orders of the Government, would the Government take suitable action against the candidate who had deliberately altered the date of birth in the certificate?

THE HON. SRI V. RAMAIAH : Sir, the 'If' has not yet arisen.

Harijan scholarships

*56 *Q.*—SRI G. KRISHNAMOORTHY : Will the Hon. the Minister for Works be pleased to state whether there is any proposal to raise the income limit for the grant of Harijan scholarships to Harijan students in high schools?

THE HON. SRI P. KAKKAN : No, Sir.

SRI G. KRISHNAMOORTHY : வருமான வரையறை இப்போது எவ்வளவு? அது எந்த வருஷத்தில் முதலில் அமுலுக்கு வந்தது?

THE HON. SRI P. KAKKAN : இப்போது ரூ. 1,500 வரை. எந்தத் தேதியிலிருந்து அமுலுக்கு வந்தது என்பதைப்பற்றி இப்போது என்னிடத்தில் விவரமில்லை.

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SRI G. KRISHNAMOORTHY : இப்போது ரூபாயுடைய மதிப்பு குறைந்திருப்பதால் அந்த வரம்பை உயர்த்துவதற்கு சர்க்காரிடம் ஏதாவது திட்டம் இருக்கிறதா ?

THE HON. SRI P. KAKKAN : உயர்த்துவது பற்றி அரசாங்கம் 1960 ஜூன் மாதத்தில் பரிசீலனை செய்தது. இப்போது உயர்த்துவதற்கு இல்லை என்று முடிவு செய்திருக்கிறது.

SRI G. KRISHNAMOORTHY : கல்லூரிப் படிப்புக்காவது அந்த வரையறையை உயர்த்துவார்களா ?

THE HON. SRI P. KAKKAN : நான் முன்பு சொன்ன பதிலே தான். இப்போது உயர்த்துவதற்கு இல்லை என்றுதான் அரசாங்கம் முடிவுக்கு வந்திருக்கிறது.

SRI G. KRISHNAMOORTHY : சம்பளத்தை உயர்த்துவதினால் சில பிள்ளைகளுக்கு சலுகைகள் குறைந்துவிட்டது என்பது சர்க்காருக்குத் தெரியுமா ?

THE HON. SRI P. KAKKAN : அந்த வரம்புக்கு உட்பட்ட ஊதியம் கூடிவருவதனால் ஒரு சமயம் பாதிக்கப்பட்டிருக்கலாம்.

SRI T. P. SRINIVASAVARADAN : Is not the income limit the same for the other backward communities also?

THE HON. SRI P. KAKKAN : அதேமாதிரிதான் அவர்களுக்கும்.

MR. CHAIRMAN : Questions are over.

[*Note*.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II. ANNOUNCEMENTS.

(1) MESSAGE FROM THE GOVERNOR.

MR. CHAIRMAN : I have to announce to the House that I have received the following message, dated 26th January 1961 from the Governor of Madras :—

"I have received with great satisfaction your resolution of thanks for the Address with which I opend the present session of the Legislature." 3-20 p.m.

(2) MESSAGE FROM THE ASSEMBLY.

MR. CHAIRMAN : I have also to announce to the House that I have received message from the Hon. Speaker, Madras Legislative Assembly, transmitting a copy of the following Bills as passed by the Legislative Assembly on the 28th January 1961 and signed by him, for the concurrence of the Council :—

(1) The Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961).

(2) The Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960).

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I have further to announce to the House that I have received a message from the Hon. Speaker, Madras Legislative Assembly, transmitting a copy of the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961) as passed by the Legislative Assembly on the 28th January 1961 and signed by him for the recommendations of the Council. The Hon. Speaker has certified that the Bill is a Money Bill within the meaning of Article 199 of the Constitution of India.

III. CALLING ATTENTION TO FALL IN PRICES OF "BLEEDING MADRAS".

SRI S. K. SAMBANDHAN : Sir, I would like to call the attention of the Hon. the Minister for Industries to a matter of urgent public importance, viz., the fall in prices of exportable handloom cloth variety known as "Bleeding Madras" due to the cancellation of orders by importers in America and the consequent accumulation of heavy stocks with weavers and master weavers and further consequence of unemployment among weavers.

THE HON. SRI R. VENKATARAMAN : Sir, due to the efforts of the Handloom Export Organization at the Chicago Fair in 1959 there was a phenomenal increase in the demand for the Handloom Fabric Bleeding Madras or India Madras. The Handloom Export Organization booked orders for substantial quantities. Subsequently, certain private merchants were also able to secure heavy orders from American firms. This large-scale demand produced a steep and unprecedented rise in the market price for this fabric, the prices spiralling from Rs. 1·75 per yard in June 1959 to as much as Rs. 3·20 per yard in October 1959. The high prices tempted weavers who were producing Madras Handkerchiefs and lunghis to switch over to Bleeding Madras. Private exporters in their anxiety to meet the demand sent out inferior cloth of poor construction, faulty design and improper dyeing. There was increasing consumer resistance in the United States of America produced by the decline in the quality of cloth exported. The American importers cancelled some of the large orders. These developments brought about a steep fall in price in December 1959. Since then, there has been accumulation of stocks of Bleeding Madras which has caused considerable hardship to the weavers. The stagnant stocks are estimated to be about 16 lakhs of yards.

The Government were anxious that some assistance should be afforded to relieve the suffering of weavers. In July 1960 they sanctioned a loan of Rs. 5 lakhs to the Madras Handloom Weavers' Co-operative Society for advancing to weavers and master weavers up to 50 per cent of the value of stocks of Bleeding Madras pledged with the society. The Government also agreed to subsidise 50 per cent of the cost of staff employed in the working of the scheme of advances. The Government have since deferred the scheme as the Government of India have under consideration the question of giving relief to the weavers to enable them to dispose of the accumulated stocks.

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In order to explore the possibilities of finding alternative markets for these accumulated stocks, the Government sponsored a delegation of representatives of the Madras State Handloom Weavers' Co-operative Society and leading producers of handloom cloth to East Asian countries. The Director of Handlooms was permitted to serve as a member of the Delegation. The Delegation which left India on 2nd September 1960 visited Colombo, Singapore, Kualalumpur, Penang, Saigon, Hongkong, Bangkok and Rangoon and returned on 30th September 1960. The Delegatoin has submitted a report. It is seen from the report that there is scope for sales of Bleeding Madras only as ready-made garments. Hongkong, Singapore and Colombo are potential markets for these ready-made garments. The Delegation's recommendations are under active consideration of the Government.

Meanwhile, the Government have urged the Government of India to come to the rescue of the Weavers by purchasing the stocks of Bleeding Madras through the Handloom Export Organisation. The Government of India have informed this Government that the question of affording some relief to the weavers to enable them to dispose of the accumulated stocks is under consideration. I hope that the Government of India will see their way to agree to this proposal made by this Government.

IV. GOVERNMENT BILLS.

(1) THE MADRAS CINEMAS (REGULATION) AMENDMENT BILL, 1960 (L.A. BILL NO. 32 OF 1960).

* THE HON. SRI M. BHAKTAVATSALAM : Sir I move—

"That the Madras Cinemas (Regulation) Amendment Bill * 1960 (L.A. Bill No. 32 of 1960), as passed by the Legislative Assembly, be taken into consideration."

Sir, I shall briefly explain the main provisions of the Bill. Condition 16 of the conditions of licence for the exhibition of cinematograph films under the Madras Cinemas (Regulation) Act, 1955 (Madras Act IX of 1955) provides that the licence shall be subject to cancellation or suspension for the breach of any of the conditions specified in it. As there is no specific provision in the said Act in this behalf it is proposed to amend the Act so as to empower the licensing authority to revoke or suspend a licence in cases where such licence has been obtained by fraud or misrepresentation or where the licensee has failed to comply with the provisions of the Act or the rules made thereunder or any of the conditions or restrictions upon or subject to which the licence was granted.

Sir, under the existing provisions of the Act any person aggrieved by the decision of the licensing authority refusing to grant a cinematograph licence or refusing to approve any transfer or assignment thereof under section 5 or refusing to grant permission under section 5-A, has a right of appeal against such decision.

* Printed as Appendix II on page 272 infra.

There is however no provision in the Act for appeal against the order of the licensing authority granting or approving the transfer of a licence under section 5 or granting permission under section 5-A. The Bill makes provision for appeal in this behalf. The Bill also seeks to empower the appellate authority to stay the orders of the licensing authority pending final orders on the appeal.

Sir, I request the House to accept the motion.

MR. CHAIRMAN : Motion moved—

'That the Madras Cinemas (Regulation) Amendment Bill, 1960 (L.A. Bill No. 32 of 1960), as passed by the Legislative Assembly, be taken into consideration.'

SRI K. BALASUBRAMANYA AYYAR : Sir, in the preamble there is a printing mistake. Instead of the words 'Eleventh Year', it should be 'Twelfth Year'.

THE HON. SRI M. BHAKTAVATSLAM : It was passed by the Assembly last year and it has come before the Council this year. I have given notice of an amendment in this behalf.

SRI K. BALASUBRAMANYA AYYAR : Sir, it is stated in the amending clause, for the words 'the decision of the licensing authority refusing to grant a licence under this Act or refusing to approve any transfer', the words 'the decision of the licensing authority granting, or refusing to grant, a licence under this Act or approving, or refusing to approve, any transfer' shall be substituted. A person aggrieved by the decision is entitled to appeal to the specific appellate authority that may be mentioned in the rules. This is the position so far as the order refusing a licence is concerned. But in the case of an order granting a licence, the question as to who is aggrieved will be a matter for decision. It may not have been opposed at all. (Interruption by Hon. Sri M. Bhaktavatsalam). The Government will have to give some definition of the term 'person aggrieved'. So far as the Act is concerned, it says that the licensing authority shall take into consideration the interests of the public, the representations made by anybody, and other matters. Will these persons be aggrieved? Some of us have agreed to the grant of all kinds of licences. But there may be cases where there are persons aggrieved. Therefore, 'the person 3-30 p.m. aggrieved' will have to be defined just as in the Civil Procedure Code 'a person having interest' had to be defined. We may amend this law giving power to a person aggrieved to appeal against the order granting a licence to another person. But we will then have to state what is meant by 'a person aggrieved'. Otherwise, it will become vauge. This Bill applies to the whole State. The person aggrieved may be anybody' therefore, there is need for defining 'a person aggrieved'. In the case of refusal of grant of a licence, the person aggrieved will naturally appeal. There is no difficulty with regard to that. But when it is provided that a person can appeal against the order granting a licence, then it is better to state, if not in the Act, at least in the rules who is a

person aggrieved by the grant of a licence. Otherwise, the Act will be vague. If the Government want it to be vague, then it is all right. But if they have sympathy, they will have to provide for this. The licensing authority concerned has to decide on the appeal. To make matters clear to him, the Statute may made be specific. This is the point I want to make.

SRI M. SESHACHARIAR: Mr. Chairman, Sir, the interpretation of the High Court in regard to this matter is only this. Though there is a provision for appeal in regard to the refusal, there is no appeal provided for for persons who are aggrieved by the granting of a licence. The person who is aggrieved is the person who is opposed to the granting of a licence. Therefore, the appeal is restricted to the persons who are already opposed to it. The persons who have opposed the grant of a licence will be entitled to file an appeal. The scope is restricted. The suggestion in the judgment of the High Court was that there was no provision in regard to that. Therefore, writs were filed. In such circumstances, the only remedy is to amend the law. If the hon. Member thinks that the whole world is aggrieved, it will be difficult to point out the persons aggrieved. The persons actually aggrieved are those who are opposed to the granting of a licence. It is only those men that can file an appeal.

SRI MOHAMED RAZA KHAN: Mr. Chairman, Sir, my hon. Friend Sri Balasubramanya Ayyar raised the point of defining 'an aggrieved person'. As far as I understand, in these days when a cinema house is established in a congested area, objection comes from the occupants of surrounding houses on the ground that there may be noise. Invariably also we have seen strong objection being taken if a cinema house were to be established in the vicinity of a temple, church or mosque. Therefore, the point to be decided is who all constitute the 'aggrieved party'.

With regard to the other point, it is stated in the Statement of Objects and Reasons that according to the proposed amendment, the licensing authority will be empowered to revoke or suspend the licence in cases where the licence has been obtained by fraud or misrepresentation. I think, Sir, that before the grant of a licence, the person who applies for it has to satisfy the rules envisaged. Formerly, in the City of Madras, we know, if there was any place for parking of cars, cinema licence was given. But now, unless a particular area within the compound of the cinema house is ensured for parking of cars, no licence is given.

Then, I like to know from the Home Minister how it is possible for the party which demands a licence to give wrong information which could not be detected by the licensing authority. I do not think the authority could be misled by false information. I do not know how that contingency will arise.

* SRI M. ETHIRAJALU: சினிமா சட்டத்தில் கொண்டு வந்திருக்கும் இந்தத் திருத்த மசோதாவை ஆதரித்து சில வார்த்தைகள் சொல்ல விரும்புகிறேன். இப்போது லைசன்சு

கொடுத்த பிறகு, ஏற்படும் குறைபாடுகளின் காரணமாக, நாம் எந்த விதத்திலும் லைசன்சை ரத்து செய்யவோ சஸ்பென்டு செய்யவோ முடியாத காரணத்தால், மீண்டும் எல்லா அதிகாரமும் கொடுப்பதற்காக இந்த மசோதா கொண்டுவரப்படுகிறது. அதைப் போலவே அவர்கள் அப்பில் செய்வதற்கும், அப்பீல் செய்கிற இடைவெளிக்குள் ஸ்டே ஆர்டர் கொடுக்கவும் அதிகாரம் வழங்கப் படுகிறது என்றால் எல்லா சினிமாக் கொட்டகைக்காரர்களும் வரவேற்பார்கள் என்பதில் சந்தேகமில்லை. அத்துடன் சினிமாக் கொட்டகையில் இருக்கக்கூடிய அசம்பாவிதங்களைக்கூட இந்த சமயம் வற்புறுத்துவது நல்லது என்று நான் நினைக்கிறேன். என்னவென்றால் இப்போது சினிமாக் கொட்டகையில் பொது மக்களுக்கு எவ்வளவோ அசௌகரியங்கள் ஏற்படுகின்றன. பொதுவாகக் குறிப்பிடும்போது, மலஜலம் கழிக்கக்கூட சரியான வசதி செய்யப்படவில்லை என்பது எல்லாப் பொதுமக்களும் கவலை அடைகிறார்கள். சர்க்காருக்கும் கூட அடிக்கடி தெரிவித்து வருகிறார்கள். அடுத்தபடியாக பணம் அதிகமாகச் சம்பாதிக்க வேண்டுமென்ற விருப்பத்தால், சினிமாக் கொட்டகை திறக்கும் போதே போட்ட மிகவும் அதிகமான நாற்காலிகளைப் போட்டு, அதை அடிக்கடி சுத்தம் செய்யாமல் அதில் மூட்டைப் பூச்சி தொல்லை தாங்கமுடியவில்லை. பொதுமக்கள் அங்கு போய் தங்களுக்கு இருக்கும் அயர்வையும் சோர்வையும் நீக்கிக்கொள்ள வேண்டுமென்று போகிற நேரத்தில், அங்கு இருக்கிற மூட்டைப் பூச்சிகளை தாங்கள் வீசைக் கணக்கில் ஏற்றிக்கொண்டு வீட்டுக்குக் கொண்டு வரவேண்டிய நிலை இருக்கிறதே தவிர சினிமாவைப் பார்த்து ரசிக்க முடியவில்லை அதைப்பற்றி கண்காணிக்கிறவர்கள் —சினிமா கொட்டகை முதலாளிகளோ அல்லது சினிமா கொட்டகைகளைக் கண்காணிக்கும் அதிகாரிகளோ நாற்காலிகளில் D.D.T. பவுடர் அடிக்க வேண்டும் என்று சொல்ல முன் வரவில்லை. மூட்டைப்பூச்சி உபத்திரவம் ஒழிக்கத் தக்க நடவடிக்கை எடுக்க வேண்டும். இன்னும் பல கிராமங்களில் பல சினிமாக் கொட்டகை களில் காற்றோட்ட வசதி இல்லை. முதலில் சினிமா ஆரம்பமானதும் சில நிமிஷங்கள் விசிறிகள் சுற்றுகின்றன. பின்னர் திடீரென்று நின்று விடுகின்றன. பின்னர் சற்று ஓடுகிறது. கடைசியில் சினிமா முடிவதற்கு அரை மணிக்கு முன்னதாகவே நிறுத்தி விடுகிறார்கள். இதை எல்லாம் அரசாங்கத்தின் கவனத்துக்கு கொண்டுவராமல் இருக்க முடியாது. திருத்த மசோதாவில் சினிமா லைசென்சை ரத்துச் செய்ய அதிகாரம் கொடுக்கப்படும் நேரத்தில் அதனால் சொல்ல வேண்டியிருக்கிறது. மற்றொன்று, பொதுமக்களுக்கு பல அசம்பாவிதங்கள் ஏற்படுகின்றன. கொடுக்கிற டிக்கட்களில் கூட 1 ரூபாய் 2 ரூபாய் டிக்கட்டுகள் எல்லாம் அதிக விலைக்கு விற்கப்படுகின்றன. அரை மணி நேரத் துக்கு முன்னால் விற்கப்படவேண்டும் என்று சொல்லியும் எப்படி எல்லா டிக்கட்டுகளும் முடிந்துவிடுகிறது. டிக்கட்டுகள் விற்பதிலும் பிளாக் மார்கெட் நடந்து கொண்டிருப்பதை நாம் எல்லோரும் அறிந்திருக்கிறோம். இதையும் அரசாங்கத்தின் கவனத்துக்குக் கொண்டுவருகிறேன். மற்றொன்று நகரத்தில் இருக்கக்கூடிய

31st January 1961] [Sri M. E. Ethirajalu]

சினிமாக் கொட்டகைகளில் இன்றும் தகர ஷீட் போட்ட கொட்டகைகள் ஏராளமாக இருக்கின்றன. அவைகளில் பகல் நேரத்தில் பார்ப்பவர்களுக்கு மிகவும் அவஸ்தை ஏற்படுகிறது. சினிமா தகர கொட்டகைகளில் நல்ல வெய்யில் நேரத்தில் பகல் காட்சி பார்ப்பவர்களுக்குத்தான் இதன் அருமைத் தெரியும். தகரக் கொட்டகைக்காரர்களுக்கு பகலில் சினிமா நடத்த உத்தரவு கொடுக்கக் கூடாது. கொடுத்திருந்தாலும் எடுத்துவிட வேண்டும். இராக்காலத்தில்தான் நடத்தவேண்டுமென்று உத்தரவிட்டால் நன்றாக இருக்கும். சினிமாத் துறையில் நல்ல முன்னேற்றம் இருக்கிற நேரத்தில் பல சினிமா கொட்டகையில் ஒரே மிஷினைப் போட்டு நடத்துகிறார்கள். ஒரே மிஷின் போடுவதால், எவ்வளவோ காலதாமதம் ஆகிறது. சினிமாத்துறை நல்ல முறையில் வந்துகொண்டிருக்கிற நேரத்தில் ஒரே மிஷின் போட்டு சினிமா நடத்தக் கூடாது என்று அரசாங்கம் உத்திரவிட்டால் கூட குறிப்பிட்டால் நல்லது என்று நினைக்கிறேன். அதேபோல் சுகாதார வசதிகளைக் கவனிக்கும் அதிகாரிகள் திடீர் திடீரென்று சினிமாக் கொட்டகைகளைப் பார்வையிட்டு கொட்டகைகளில் பொதுமக்களுக்கு குறைவாக இருக்கக்கூடிய வசதிகளை சோதனையிட்டு, சரியாகச் செய்யும்படி செய்தால் மிகவும் நன்றாக இருக்கும் என்று கேட்டுக்கொள்கிறேன். கிராமங்களில் உள்ள சினிமாக் கொட்டகைகளில் இஷ்டம்போல் எந்த நேரத்தில் வேண்டுமானாலும் சினிமா ஆரம்பிக்கலாம் என்று இஷ்டத்திற்கு நடத்துகிறார்கள். ஆறு மணிக்கு ஆரம்பிக்க வேண்டியதை 8 மணிக்கு ஆரம்பித்து 11 மணிக்கு முடித்துவிட்டுப் பிறகு 12 மணிக்கு ஆரம்பித்து 4 மணிக்கு விடுகிறார்கள். அதற்குக் கட்டுப்பாடுகளே கிடையாது என்பதை அரசாங்கத்தின் கவனத்திற்குக் கொண்டுவராமல் இருக்க முடியவில்லை. இந்த குறைபாடுகளை எல்லாம் நீக்க வேண்டுமென்று கேட்டுக்கொள்கிறேன். இந்தத் திருத்த மசோதாவில் சினிமா கொட்டகைகளில் ஏற்படும் குற்றங்களுக்கு கான்சல் பண்ண வேண்டும் என்றோ சஸ்பெண்டு பண்ண வேண்டும் என்றோ அதிகாரம் இருந்தாலும் அதை நல்ல முறையில் பார்த்து உத்திரவிட வேண்டும் அதற்கு ஸ்டே கொடுப்பதும் முக்கியமாய் இருந்தால் கொடுக்க வேண்டும். எடுத்ததிற்கெல்லாம் ஸ்டே கொடுப்பதும் அவ்வளவு நல்லது அல்ல. ஸ்டே கொடுப்பதில் மதிப்பு இருக்கவேண்டும். அடிக்கடி ஸ்டே கொடுக்கக் கூடாது. முக்கியமான நேரத்தில் ஸ்டே கொடுத்தால் மதிப்பு இருக்கும் என்று சொல்லிக்கொண்டு, சினிமாக் கொட்டகையில் ஏற்படுகிற அசம்பாவிதங்களையும் இருக்கும் கஷ்டங்களையும் அதிகாரிகள் அடிக்கடி சென்று கவனித்து பொதுமக்களுக்கு வேண்டிய சௌகரியங்களைச் செய்யவேண்டுமென்று கேட்டுக்கொண்டு இந்த மசோதாவை ஆதரித்து என் வார்த்தையை முடித்துக் கொள்கிறேன்.

* THE HON. SRI M. BHAKTAVATSALAM : Mr. Chairman, granting of licence is subject to the rules framed under the Act. The licensing authority is the Collector in the mufassal and the

Commissioner of Police in the Madras City. It is very difficult to define who is an aggrieved party in this matter with reference to granting of a licence. It may be another licensee. It may be pointed out that the licence has been granted against the provisions of the rules or the Act; such a person may be an aggrieved person. Or, as pointed out, a church or a temple may be an aggrieved institution. Or, the management of a school may object to the granting of a licence. Whoever feels aggrieved and whoever can object, it can be only in accordance with the rules that are in force and also with reference to the provisions of the Act. Perhaps, it is very difficult to define who is an aggrieved person. Perhaps, the position may be made clear when the rules are considered under this Amending Bill. But whoever makes a complaint, it can be only under the rules or under the provisions of the Act and it is for the authority concerned to interpret the rules and decide whether the licence has been properly granted under the provisions of the rules or the Act.

Regarding the point raised by the hon. Member Sri Mohamed Raza Khan, it may be that there has been some misrepresentation and the authority granting the licence might not be aware of it. He might subsequently become aware of it. (Sri Mohamed Raza Khan : Is there any instance?) I do not think any instance is necessary. It is quite possible that the authority might not have been aware of it. He might have been misguided.

With regard to the points raised by the hon. Member Sri Ethirajalu, they are matters that the aggrieved person should take to the notice of the licensing authority. Particularly, the hon. Member should take some interest. I do not know whether he has ever brought to the notice of the Collector of South Arcot any of the deficiencies or difficulties pointed out by him. We cannot issue instructions about these matters. If there is any deficiency in a particular theatre, it is for those concerned to bring it to the notice of the licensing authority. I have no doubt that the licensing authority will look into the matter and see that things are rectified. Therefore, I commend the motion for the acceptance of the House.

Mr. CHAIRMAN : The question is—

" That the Madras Cinemas (Regulation) Amendment Bill, 1960 (L.A. Bill No. 32 of 1960), as passed by the Legislative Assembly, be taken into consideration."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 6 were put and carried.

Clause 1.

Mr. CHAIRMAN : The motion is—

" That clause 1 do stand part of the Bill."

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THE HON. SRI M. BHAKTAVATSALAM: Sir, I move the following amendment—

"In clause 1, sub-clause (1), *for* the figures '1960', *substitute* the figures '1961'."

MR. CHAIRMAN: The question is—

"In clause 1, sub-clause (1), *for* the figures '1960', *substitute* the figures '1961'."

The amendment was put and carried.

Clause 1, as amended, was put and carried.

Preamble.

MR. CHAIRMAN: The motion is—

"That the Preamble do stand part of the Bill."

THE HON. SRI M. BHAKTAVATSALAM: Sir, I move the following amendment—

"In the Preamble, *for* the words 'Eleventh Year', *substitute* the words 'Twelfth Year'."

MR. CHAIRMAN: The question is—

"In the Preamble, *for* the words 'Eleventh year', *substitute* the words 'Twelfth year'."

The amendment was put and carried.

The Preamble, as amended, was put and carried.

THE HON. SRI M. BHAKTAVATSALAM: Sir, I move—

"That the Madras Cinemas (Regulation) Amendment Bill, 1960 (L.A. Bill No. 32 of 1960), as amended, be passed."

MR. CHAIRMAN: The question is—

"That the Madras Cinemas (Regulation) Amendment Bill, 1960 (L.A. Bill No. 32 of 1960), as amended, be passed."

The motion was put and carried and the Bill, as amended, was passed.

(2) THE EVACUEE INTEREST (SEPARATION) MADRAS SUPPLEMENTARY BILL, 1961 (L.A. BILL NO. 7 OF 1961).

* THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, Sir, I move—

"That the Evacuee Interest (Separation) Madras Supplementary Bill[a], 1961 (L.A. Bill No. 7 of 1961), as passed by the Legislative Assembly, be taken into consideration."

Sir, I shall briefly explain the provisions of the Bill. Although the Evacuee Interest (Separation) Act, 1951 (Central Act LXIV of 1951) has been in force for over nine years, applications for the separation of evacuee interests from composite properties are still being filed. In the absence of a provision in the Act fixing a time-limit for filing applications, applications could still be filed

[Sri M. Bhaktavatsalam] [31st January 1961

with the result that it is not posssible to complete the work in the near future. Parliament has, therefore, enacted the Evacuee Interest (Separation) Amendment Act, 1960 (Central Act 27 of 1960), so as to provide that no application under section 6 of the principal Act shall be entertained if filed after the expiry of one year from the commencement of the Amendment Act. The Amendment Act came into force on the 15th October 1960. As it is likely that some of the claims may relate to matters in the State List in the Seventh Schedule to the Constitution and in order to make the amendments effective in the State in so far as they relate to matters in the State List, it was necessary to enact suitable supplementary legislation. As the Legislature was not in session, the Evacuee Interest (Separation) Madras Supplementary Ordinance, 1960 (Madras Ordinance 2 of 1960), was promulgated by the Governor. The Evacuee Interest (Separation) Madras Supplementary Bill, 1961, is intended to replace the above Ordinance.

Sir, I request the House to accept the motion.

MR. CHAIRMAN : Motion moved—

"That the Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961), as passed by the Legislative Assembly, be taken into consideration."

SRI K. BALASUBRAMANYA AYYAR : Sir, this is a small Bill. The procedure here is very peculiar. The Evacuee Interest (Separation) Amendment Act was passed by the Central Legislature. Item 32 of the Union List governs this subject. The item is "Property of the Union and the revenue therefrom, but as regards property situated in a State subject to legislation by the State, save in so far as Parliament by law otherwise provides." Therefore, we have to undertake legislation as regards separation of evacuee property from the other properties. But the question is whether there are any cases of evacuee property in this State. Most of the evacuee property is in Northern India. Therefore, why should we take any step at all in this matter? That is a matter for the Government to consider.

THE HON. SRI M. BHAKTAVATSALAM : There is the question of risk.

SRI K. BALASUBRAMANYA AYYAR : But there are not going to be evacuees hereafter. If any evacuee property is in our State, I can understand. I think on this matter there was some correspondence with the Government of India also. So, without
2.5 p.m. any such property in our State, why should we undertake this legislation? Are we to do it because it is in the Union List (No. 32) and because the Central Government have adopted it? Has any other State passed such an Act? Has Mysore done is for an instance? Our State must decide first whether there is any necessity for any legislation. Secondly, I question the way in which the Bill has been drafted. There are what are called 'legal fictions'. We say sometimes . . . . . as if it has been enacted with

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a Printed as Appendix III on page 273 infra.

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effect from such and such date'. That is a legal fiction intended to provide for retrospective effect. But we are not aware of a legal fiction like 'as if it has been passed by the State Legislature'. This goes too far. Of course, I can understand the other legal fiction, viz. Those provisions which are mentioned in the Central Act will apply here'. But I can never understand this, 'that the enactment now made by the Central Government will be valid and binding as if it has been passed by the State Legislature'. We have not passed any Act. We are keeping quiet. So, this is too much of a legal fiction according to me. The provision in this Act is only an enabling provision and the Government do not want it to go on applying without limitation. So, they have said that there should be a limitation of one year and that if within one year no application is put in there is an end of the matter. My point is, why should we implements an Act which does not affect our State at all. A case must be made out for an Act first. Then the legal fictious should be such as will not go too for. We could as well have provisions like the ones contained in the States' Reorganization Act. But even for that a case has to be made out. This is merely submitting to the orders of the Union Government because it is they that want this Bill to be all comprehensive. There are certain legislative forms and procedures which we must follow and we cannot yield to orders from outside. They may say: 'We must have a pattern and therefore let us pass these orders.' But there is no property in our State that can be covered by this Act. This Bill was introduced in the Rajya Sabha and in the statement of objects and reasons I find it said: 'Necessary legislative steps will be taken by the State Governments also to make the Act effective there.' That is all what I wanted to say.

* SRI ABDUL HAMEED KHAN: Mr. Chairman, I am sorry, the hon. Member, who has just spoken, has assumed a little too much, when he said that there were no cases in this State that would be covered by the present Act. I feel there are certain cases which, though they do not exist now, are likely to come up time and again There must be provision made to cover such cases and the measure now sought to be passed is certainly a welcome measure. Besides, I would like to submit that the absence of cases is not going to deter the Government from carrying out their duties. My hon. Friend has been harping upon the term 'as if it has been passed by the State Legislature'. This is not the first time, Sir, that we have done like this. On previous occasions also, in order to simplify matters, the local Government was asked to pass measures in consonance with the Central Acts and the local Government also agreed and passed such Acts.

SRI MOHAMED RAZA KHAN: Mr. Chairman, I am in a state of confusion. The point stressed by my esteemed Friend, Mr. Balasubramanya Aiyer is this. This Bill has come before us not because it is necessary but for the sake of uniformity. But conditions differ from State to State. Of course, an Ordinance was passed because the House was not in session and was prorogued. It is sought to be replaced now.

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Sir, immediately after partiton, there was a lot of migration and several properties were involved in such migration. Fortunately, in Madras, there are not many cases like that. For one thing, the properties were few and the evacuees also were few so far as Madras State is concerned. These cases were governed by the Evacuee Act and there was a lot of confusion and one or two cases led to serious complications also. Let me not expatiate on those things now. Under the present law, if anybody wants to leave this State or the Indian Union and go to Pakistan, his property does not come under this Act. As my esteemed Friend said, if the Centre wants us to pass this Act for the sake of uniformity, it is a different matter. But if it is a question of necessity, then a case must be made out. The Minister in charge must say, for instance, 'Even today there are disputes in respect of evacuee property; there are so many cases pending still'. Unfortunately, we have not been given any background material. The Minister must say, he has received some report and several matters have to be settled and, therefore, he has brought in the measure. No such statement is before us. It is merely stated that the Centre wants it and we should have it for the sake of uniformity. I believe the Hon. Minister will provide us some material.

4-00 a.m. * THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, Sir, I can only say this in reply that we cannot be sure, absolutely sure, that there is no necessity for such a legislation. Then there is no harm in passing a legislation like this. The Government of India were of that view. They can bring their new Act into force only after all the States had passed the supplemental legislation. With that view this Government concurred. The Government of India wanted to bring into force the legislation by 1st October 1960. Therefore an Ordinance was issued by the Government.

SRI K. BALASUBRAMANYA AYYAR: My point is this. That has nothing to do with the main Act. I refer only to this amendment, this further amendment of the Act. The Government say they have a number of cases and therefore this amendment is necessary. I only want further particulars.

* THE HON. SRI M. BHAKTAVATSALAM: I also referred to the amendment. We cannot be sure that there is no need for such an amendment even in respect of this State. The Government of India proposed to bring the legislation into force only after all the States had passed the supplemental legislation. But subsequently they proposed to bring the legislation into force from the 1st October 1960. Therefore an ordinance was passed and I am here with this short Bill to regularize that ordinance.

MR. CHAIRMAN: The question is—

'That the Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961), as passed by the Legislative Assembly, be taken into consideration.'

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a Printed as Appendix IV on pages 273-277 infra.

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The motion was put and carried and the Bill was taken into consideration.

Clauses 2 and 3 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI M. BHAKTAVATSALAM : Mr. Chairman, Sir. I move—

'That the Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961), as passed by the Legislative Assembly, be passed'.

MR. CHAIRMAN : The question is—

'That the Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961), as passed by the Legislative Assembly, be passed'.

The motion was put and carried and the Bill was passed.

(3) THE MADRAS STATE AID TO INDUSTRIES (AMENDMENT) BILL, 1961 (L.A. BILL NO. 26 OF 1960).

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir. I move—

'That the Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960), as passed by the Legislative Assembly, be taken into consideration.

Sir, I shall briefly deal with the three amendments which this Bill seeks to introduce to the State Aid to Industries Act of 1922. It is considered that the procedure for the examination and disposal of applications for loan should be simplified further. Section 8 (3) of the Act specified that every application for aid shall be placed before the Board of Industries for advice. But, under section 17-A (1), the Director of Industries and Commerce is empowered to sanction loans up to Rs. 25,000 and under section 17-B (1) the officers subordinate to him can grant loans up to Rs. 10,000. The intention is that only applications for loans exceeding Rs. 25,000 should go before the Board of Industries for advice. The rest would be disposed of according to the rules prescribed. Otherwise, the simplification of the procedure which we need, will not be achieved. The amendment to sub-section (3) of section 8 makes the intention clear.

Although, under the rules framed under the Act, provision has been made for the grant of loans on personal securities and on the security of one or more sureties, a doubt has been raised that the grant of loans on such terms is beyond the scope of existing sections 9 and 10 of the Act. New sub-section (1-A) of section 10 provides legal basis for the grant of loans on personal security of the applicants.

New section 10-A makes the transfer of properties including leases of properties mortgaged to the Government void in law unless such transfer is made with the written permission of the sanctioning authorities. Similarly, new section 10 (*b*) makes void the

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attachment, sale, etc., of the properties hypothecated to Government by any Court, without the written permision of the sanctioning authority. There is no provision in the Act, making sale, lease or transfer of the properties mortgaged to Government void in certain cases. Normally, the Government need not concern themselves with the sale or transfer of any industry which has availed itself of State aid, provided the purchaser or transferee thereof undertakes to abide by all the conditions of the mortgage, etc. But the question arises whether any action can be taken against the purchaser by foreclosing the loan and recovering it in full, if he stops the industry and keeps the machinery idle, but however pays the instalments regularly. The Government have been advised that a provision restraining the alienation by sale or mortgage of property furnished as security for repayment of the loan under the State Aid will be invalid as clog on redemption. In the circumstances, the Government consider that a provision analogous to sections 3 and 7-A of the Madras Aided Institutions (Prohibition of Transfer of Property) Act, 1948 (Madras Act XIV of 1948) may be made in Madras Act V of 1923 by suitably amending the Act, to cover all kinds of transfers including leases without the permission of the Government and consequences of a breach and that the amended provision may be made applicable to all, existing and future, mortgages securing State Aid under the Act. Such a provision is necessary in order to safeguard the interests of Government.

Lastly, I come to new sections 17-C and 17-D which relate to the revisional or appellate powers. What is provided under new section 17-C is that any person aggrieved by a decision of the sanctioning authority either granting or refusing to grant aid under the Act may appeal to a higher authority, e.g., if the decision is that of an Assistant Director of Industries and Commerce to the Joint Director of Industries and Commerce and if the appeal is against the decision of the Joint Director of Industries and Commerce to the Director. In both cases, the Government will also have revisional jurisdiction. In respect of decisions of the Director, the appeal will be preferred to Government.

Sir, these amendments are of a minor character but the most important thing in these amendments is that the Government are enabled to advance loans to enable the rapid industrialisation of the State.

MR. CHAIRMAN : Motion moved—

'That the Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960), as passed by the Legislative Assembly, be taken into consideration.'

SRI K. BALASUBRAMANYA AYYAR : Mr. Chairman, Sir, there are one or two points to be considered with regard to this Bill. The most important thing is that loans are to be given on personal security. That is the important provision in the Bill. The Government ever since the 1922 Act was passed have been changing the provisions of the Act and liberalising the rules. Revised

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rules were framed in the year 1958. In this connection I would like to draw the attention of the House to the Administration Report of the Department of Industries and Commerce for the year ended 31st March 1958 and especially to the paragraph at page 77 regarding 'Short notes on the Madras State Aid to Industries Act'. The report says:

'With a view to give aid to small scale and cottage industries in the State in a liberal measure and in a more expeditious and effective manner, the Madras State Aid to Industries Act was amended and the rules completely revised. The revised rules (Madras Small Scale and Cottage Industries Loans and Subsidy Rules, 1956) came into force only from 29th September 1956. Some of the salient features of the liberalized rules are that the amount of loan that can be granted to industrial concerns has been raised from 50 to 75 per cent of the value of assets offered as security, and that in the case of cottage industries loans up to 100 per cent of the total value of the security offered can be granted. Provision has also been made empowering the various officers of the departments, viz., Director of Industries and Commerce, Joint Director of Industries and Commerce, Assistant Directors of Industries and Commerce and Village Industries Officers to grant loans up to the limit prescribed for each. Loans can also be granted up to Rs. 10,000 on personal security and up to Rs. 5,000 on one or more personal sureties. The rate of interest is 3 per cent per annum up to Rs. 50,000 in the case of industrial units and 2½ per cent per annum in the case of industrial co-operatives. The interest for loans above Rs. 50,000 shall be fixed by Government and it is not 5 per cent per annum. Subsidy can also be granted to the deserving cases under the revised rules.

The liberalization of the provisions of the State Aid to Industries Act as mentioned above, has resulted in the receipt of a large number of applications, from all kinds of industries. The Government therefore, considered it was necessary to have a reasonably well-defined policy, in regard to the disposal of these applications, which could be understood and appreciated by the loan granting officers and public . . .'

It goes on like that. If even the existing rules are liberalized, the number of applications to be received will be doubled or quadrupled. I am sure if you make liberal provisions for the grant of loans, naturally you will be flooded with a large number of applications. I am not against liberalization of rules. The question is whether we should extend the personal security without even the considered advice of the Industries Board. The Board of Industries has been constituted to advise the Government. The provision in the Act itself contemplates that every application shall be placed before the Board for its advice. Experts and responsible people are there on the Board. There are also the representatives of the banks. That is a very good Board. But now it is stated that applications above Rs. 25,000 only will be placed before the Board. 4-10 p.m.

There are two or three salient checks. First is the advice of the Board of Industries. Then the security either of the machinery or of the land. But when we liberalise the rules and give loans to industries, we must enable them to work efficiently. If we give loans to people who may squander them, and we are not able to recover anything, then it will be a blow to the industry itself. In order to see that the industry works efficiently, it is better to have security for the loans. In 1958, the administration report itself stated that loans up to Rs. 5,000 and Rs. 10,000 could be granted on personol security. In the Bill it is stated that applications for a loan above Rs. 25,000 will be placed before the Board of Industries for advice. In cases of less than Rs. 25,000, they are not placed before it for advice. Only personal security of the business concerned is looked into. I feel that there should be safeguards so that the industrialist who borrows may be careful. He should be made to have the feeling that he should repay. Otherwise the industry itself will suffer. From this point of view I am stating that we are not against liberalising the rules. The Board of Industries should assess the industry before loans are given. In the case of loans of over Rs. 50,000, a notice must be published inviting objections to the grant of loan. All these safeguards were there for the purpose of enabling this Government to know the exact position of the parties who apply for these loans. That is why they constitute district committees for the purpose of assisting the licencing authority to grant these loans. When we make a provision stating that the application to the Board of Industries need not be placed before it if the amount of the loan is up to Rs. 25000—it may be on personal security also—then, we will find that a large number of applications will be coming in. Many of them may not even be benefited. Unfortunately, the Collector also may be misled. We do not know whether these safeguards will be considered by the district committee. When the Board of Industries cannot do it, the district committee cannot also do it. The Board of Industries cannot do anything in respect of loans up to Rs. 25,000 on personal security. This will really give a *carte blanche* to all industrialists. Up till now we have not done it statutorily. That is the fundamental and most important point. All other things are minor. At least if these applications will be placed before the Board of Industries, it is all right, even if they be on personal security. But it is stated that loans up to Rs. 25,000 will not be placed before the Board of Industries. We are really providing for no checks. The people are all connected with many bodies to which loans may be given. The loans are given not upon merits. There is the human limitation about which I am complaining. Therefore what I am stating is that we must have safeguards and checks. One important safeguard was that every application shall be placed before the Board of Industries. We constitute district committees. These too practically will have no operative part so far as applications up to Rs. 25,000 are concerned. Personal security means the personal credit of the man. He may have much property also. He may have no property also. That is the difficulty. We have to judge

it purely from a subjective standard. People may be misled. That is why checks were placed before. It is true that we should help industries. We should go even to the extent of subsidising, as the Hon. Minister has put it in the case of 'Bleeding Madras'. Up till now we had not a statutory provision like the one that is now contemplated. Loans may be given on personal security. These applications may be placed before the Board of Industries. Let not Government say that applications up to Rs. 25,000 need not come before the Board. Let them be placed before it for its advice. It is an expert body and it will surely help in the proper disposal of the applications.

SRI S. NATARAJAN : Sir, I entirely agree with the hon. Member Sri Balasubramanya Ayyar when he says that while we should welcome any attempt at liberalising this State Aid to Industries Act, we must also ensure that public money is not lost. Under the original Act all applications should first be placed before the State Board and their advice sought. It is not stated that the Government should act according to the advice given, but at least the fact of their having given advice would be there, and the State Board will know who are the persons, how much is the money involved, etc. (Interruption by Sri K. Balasubramanya Ayyar.) I do not know if there have been occasions where the State Board have rejected unanimosuly a real case. (THE HON. SRI R. VENKATARAMAN : A large number. If they do it on grounds which could not be questioned, if they do it on grounds of merit after taking the actual needs of the industry and everything into consideration, we should not complain about it. But if they do it for other reasons unconcerned with the development of industry, then it is a matter of which we should take serious notice. Sir, under this amending Bill the officer is empowered to give loans himself without even having the advice of the Board. It is true that Government may take action against the officer. It is also true that the officer may be honest. While the officer may feel that a loan is not necessary, he may be obliged to grant that loan. The safeguard against this is that the Board will look into the application and recommend its sanction. Now we are taking away this safeguard. The power to sanction the loan may be with the officer. I do not question it. But the Board should be apprised of these loan applications, and they should have the opportunity to give their opinion. The authority may differ from them and may try to sanction the loan and disburse it. But to take away the rule that all these loan applications should be placed before the Board, I consider, is not correct. It is likely to be abused. Officers will find it difficult to exercise this power, because they may find it difficult to withstand the kind of pressure that they may have. In the interests of the officers and also in the interests of the development of industries, I would appeal to the Hon. Minister to see that they restore the clause requiring that all applications should be placed before the Board. But, the power to sanction the loans may rest with the officers, as indicated. Thank you, Sir.

SRI MOHAMED RAZA KHAN : Sir, in the present tempo of industrial expansion, particularly in the field of small scale industries, I feel that there is some justification for a Bill of this kind. As Members are aware the original Act was brought in in 1922, and an amendment was introduced later on, more to give as much help as possible financially to the industries which were then very few and far between as far as our State was concerned The procedure was laid down whereby all applications for loan had to be placed before the Board constituted by the Government consisting of officials and representatives of both the Legislative Assembly and Legislative Council. We are having a representative on the Board. Some outsiders representing the Chambers of Commerce and others who have got an interest in the development of industries in the State are also there. Now the position is this. The Board decide that the application from the industry has to be published in the local press inviting objections, if any, to the grant of the loan.

4-30 p.m. THE HON. SRI R. VENKATARAMAN : That is only in respect of loans over Rs. 50,000.

SRI MOHAMED RAZA KHAN : I thank the Hon. Minister for the information. Now, there is a desire on the part of many people to develop small-scale industries and it is likely that the Government may get a large number of applications for aid below Rs. 25,000. About the Board, Sir, I do not know how many times it meets. I suppose it meets every quarter. The question is whether a man who wants to develop an industry, should wait for two or three months to get his application considered. I am yet to be enlightened on this point. Then the other point is about solvency or capacity to repay the loan. I am not satisfied about this condition. We are not clear whether we want property to guarantee repayment. Let us not say Mr. Balasubramanya Ayyar is too conservative. He is always cautious. He is not against timely or immediate help being given. But the question is that the money should not be lost. Such of us as members of the Public Accounts Committee know of many cases wherein heavy sums of money advanced by the Government were lost for ever. I do not want to dilate on it much except to say that the Government with the best of intentions gave a loan of nearly fifteen lakhs of rupees to an Oil Mill at Katpadi.

THE HON. SRI R. VENKATARAMAN : We have recovered half the amount.

SRI MOHAMED RAZA KHAN : I am sorry, I do not want to indulge in arguments with the Hon. Minister. Ultimately, when the Government want to write off the loss, it may go up to 13 or 14 lakhs of rupees. The personal security of the directors was not taken. The money was given on the property and unfortunately nothing could be got back from it. Therefore, this precaution is necessary. As far as the general trend of the Bill is concerned,

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the principle seems to be to give help to as many and as quickly as possible. I have no objection to this but the only question is, once discretion is given either to the Director or the Assistant Director or the Deputy Director, the officer concerned has to be very careful. A good deal of responsibility is laid on him. If anything happens subsequently, the loan will be lost for ever. After all, business is business; industry is industry. If there is any loss there will be no occasion for anybody—the official or the legislator—to repay it. I am sure the Hon. Minister will consider and clarify these points.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, when the State Aid to Industries Act, 1922 was passed, there were no industries worth the name. There was nothing like small-scale industries. Mostly people with assets and properties alone came into the industrial field. That is why in section 10 of the original Act it was provided that every loan granted under the Act should be secured by mortgage or a floating charge on the whole of the assets of the persons concerned. Now we change that so as to enable Government to give loans on the personal security of the industrialists. If we look at the growth and development of industries during the Second Plan period, it is possible to appreciate the need and the urgency for such a change. Industries costing hardly two or three thousand rupees on a small, village and cottage basis, are springing up all over the State. The requirements of these small-scale industries are, as I said previously, less than ten thousand rupees and the industrialists are called upon to furnish security. They are unable to find any security and so are not able to enter the industrial field. Actually under the Second Plan, we have spent nearly 4·5 crores of rupees on small-scale industries and thousands and thousands of small-scale industries have sprung up all over the State. If we had to follow the rule that everyone of these applications should go before the Industries Board, I am afraid many of these applications would not have even come up for consideration. But today, these industries are actually functioning. The approach to the problem of industrialisation has also undergone a change in the world as well as in our country. No longer it is considered right for any State to encourage only those who furnish security in the Industrial field. In Western countries, loans are advanced on an intelligent idea, not even on the personal security of the individual. If a scheme is good, they are encouraged by banks, financing institutions and so on. And that is why a large number of industries spring up throughout the mechanised countries of the world. We have adopted the Welfare State as the ideal of our social fabric and it is our incumbent duty to encourage all these small industries. In this connection, I would rather take the risk of helping and losing money in a few cases than deny help to industrialists who come forward in this country to start small industries. If we had not been liberal in this behalf in the last five years, the rapid industrialisation that has taken place particularly in the small-scale sector would not have occurred.

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Next to the Punjab, Madras is the State which has the largest number of small-scale industries. Therefore, it is absolutely necessary for us to encourage the growth and development of small-scale industries by aiding them liberally with finance and
4-30 p.m. giving them machinery and equipment on the basis of 'hire-purchase' and in every other way possible. The old Act of 1922 now is a clog on our progress. It retards and restricts development. Therefore, we have to come forward to have the concurrence of the Legislature to the system of giving help even on personal security. The existing system can be briefly explained to show that nothing new or by way of a radical departure is contemplated under the law. Today the Assistant Director of Industries at the headquarters of a district can sanction loans up to Rs. 2,000 on the personal security of the individual or the worthwhileness of the scheme itself. The Joint Director is enabled to grant loans up to Rs. 10,000. If it is Rs. 25,000 it comes to the Director of Industries and Commerce. If it is Rs. 50,000 and above, the matter is advertised. The connected notification is published in the papers and then the Board deals with the application. If applications for Rs. 1,000 and Rs. 2,000 should go before the Board, it would be impossible for us to carry out the expansion that we contemplate and we have carried in the last few years. Therefore it is that I submit that the change is justified. At the same time I can assure the House that it is not the intention of the Government to give a *carte blanche* to any officer to grant a loan without any security. Rules have been framed in this behalf. Only legislative sanction is now sought for enabling the officers to give loans without asking for security of property.

Sir, it is my earnest desire that even in our country at any rate in our State no intelligent young man who has got a worthwhile scheme should go without help from the State. If there is a worthwhile scheme, a scheme considered by the Industries Department as feasible, then the mere fact that he has not got the money, he has not got the initial capital to undertake it should not stand in the way of his establishing that industry. Therefore it is we ought to give every encouragement in the field of industrial development by giving loans, advances and so on.

In this connection I may also draw the attention of the hon. Members to a very radical change which we have made in the Madras Industrial Investment Corporation, a change which is the first of its kind in the whole of India. We have now enabled the Corporation to take equity shares on the great and big projects of the State. In one instance the Corporation had taken equity shares to the value of Rs. 1 crore, in another Rs. 1;5 crores. Apart from these they have taken equity shares in several industrial concerns to the tune of Rs. 10, 15 lakhs and so on. It is all these things that have really helped the industrial development in the State. Sir, I trust that the House will accept the motion.

MR. CHAIRMAN : The question is:

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'That the Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960) as passed by the Legislative Assembly, be taken into consideration.'

The motion was put and carried and the Bill was taken into consderation.

Clauses 2 to 8 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI R. VENKATARAMAN: Mr. Chairman, Sir, I move:

'That the Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960), as passed by the Legislative Assembly, be passed.'

MR. CHAIRMAN: The question is—

'That the Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960), as passed by the Legislative Assembly, be passed.'

The motion was put and carried and the Bill was passed.

(4) THE MADRAS GEVERAL STLES-TAX (AMENDMENT) BILL, 1961 (L.A. BILL NO. 1 OF 1961)

* THE HON. SRI R. VENKATARAMAN: Mr. Chairman, Sir, I move:

'That the Madras General Sales Tax (Amendment) Bill', 1961 (L.A. Bill No. 1 of 1961), as passed by the Legislative Assembly, be taken into consideration.'

Sir, this is a short Bill. Under Schedule I to the Sales Tax Act, tinned, canned, bottled and packed food were liable to single point tax at six per cent. This has caused a great deal of difficulties to the trade and industry. Small dealers and manufacturers of goods like 'Appalams', fruit drinks and so on have to pay six per cent single point tax on their products. Frankly, Sir, the commodity cannot bear that tax.

In this connection I must recall the great controversy which took place in the State, and in the Legislature over the question of levy of the single-point tax. However much Government and its spokesmen tried to convince the members of the Legislature and members of the public that the single-point tax was not such an unmixed blessing as they imagined, the Government could not succeed. But today after having put 75 items in the single-point tax, we have received representations from dealers in at least 40 of these commodities for reverting to the multi-point tax. The reason is very simple. The single point tax is a tax at the stage of the producer. The producers are not always big people. They are not always manufacturers of biycles or motor cars. The

* Printed as Appendix V on page 277–278 infra.

groundnut grower is a producer, and in fact there are far more small producers in our country than there are big producers. And when once the tax is shifted to the stage of production, it does affect the small producers much more harmfully than the big producers. Government therefore have gone on examining the various representations made and whenever they found that the trade suffered they have not hesitated to take the commodity back to the multi-point tax.

Sir, I would also like to mention at this stage that when Section 59 of the Act was under discussion very many hon. Members questioned the wisdom of entrusting the Government with the power to remove an item or change an item from one schedule to another by a mere notification. But for this power, the relief that we have given not only to this industry and trade but also the relief which we have given to many others by a reduction in the rate of the tax or transfer from one to another schedule, namely, from single point to multi-point would not have been possible.

Under the power conferred under Section 59 of the Act the Government transferred the item from the single point to the multi-point in October 1960 and since then it has continued to be on the multi-point. This Bill is intended to enact the notification already issued. I trust the House will accept the motion.

MR. CHAIRMAN : Motion moved :

'That the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961), as passed by the Legislative Assembly, be taken into consideration.'

SRI MOHAMED RAZA KHAN : Mr. Chairman, Sir, I welcome the measure for this reason. The Hon. the Leader of the House at the time he was piloting the Bill in the other House as well as in this House and also during the deliberations in the Select Committee gave an assurance that whenever anything was brought to his notice or the notice of the Government about difficulties experienced in the working of the Act by the Trade or Business, the Government would do their best to remove those difficulties. The Government had also taken power under the Act to introduce changes by notification to be ratified later by the Legislature. They have now come before the legislature to get their ratification for the changes made in respect of certain commodities. Therefor I welcome the measure. All of us know that these people who produce 'Appalams' and such other things find this tax too heavy to bear.

Sir, regarding the second part of the speech of the Hon. Minister I find he has advanced the same arguments in the other House also while moving the Bill. It is true some of us were in favour of the single-point tax. Being a very nice man the Hon. the Leader of the House limited his criticism to the business and did not refer to us directly. I do not like to say now anything by way of criticism. Being an intelligent man it is he who wanted

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to play the game. In fairness I must say this of him. He only wanted that the revenue derived by the Government of Madras from this source, namely, Rs. 13 to 14 crores should not be affected by the changes proposed in the Act. And the rates suggested were high and naturally these difficulties have now arisen. And according to the assurance given when the Act was passed, the Hon. Minister has come forward with this Bill to remove difficulties. And I support the Bill. But I submit there is no question of any controversy between the single-point tax and the multi-point tax, in this.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir. I have only to answer one point raised by the hon. Member Sri Raza Khan. It was accepted by the business community that there were three transactions before the consumer ultimately got his commodity. It was on that basis the expert—it was not Mr. Venkataraman who decided the question—who went into the question of simplification of the sales tax administration in the State recommended six per cent on the commodities brought under the single-point tax because it was conceded by the trade tht between the producer and the consumer there were three transactions and a multi-point rate of 2 per cent should be made into 6 per cent single-point. If it was intended that in the name of single-point tax should be reduced, then the more honest course would be to ask for a reduction of tax and not ask for single-point tax. Yesterday, I had a representation from producers of buckets and small utensils, who are now, as producers, called upon to pay six per cent single-point tax. The Government find it very difficult to go on examining these items throughout the year. I am only mentioning that the difficulties have been enhanced. Since the persons affected are small people, they have not been able to make the noise which others had made for this single-point tax. I hope Mr. Raza Khan will absolve the Government of having recommended or enacted a very high rate, because we merely followed the rate suggested by the expert who was appointed to go into this question.

MR. CHAIRMAN : The question is—

'That the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961), as passed by the Legislative Assembly, be taken into consideration'.

The motion was put and carried and the Bill was taken into consideration.

Clause 2 was put and carried.

Clause 1 was put and carried.

The Preamble was put and carried.

THE HON. SRI R. VENKATARAMAN : Sir, I move—

'That the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961), as passed by the Legislative Assembly, be passed'.

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MR. CHAIRMAN : The question is—

'That the Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961), as passed by the Legislative Assembly, be passed'.

The motion was put and carried and the Bill was passed.

MR. CHAIRMAN : The House will now adjourn and meet again at 3 p.m. on Saturday, the 18th February 1961.

The House then adjourned.

V.—PAPERS LAID ON THE TABLE OF THE HOUSE.

* 185. *Notification issued with G.O. No. 4534, Revenue, dated 7th November 1960, regarding amendments to the Madras General Sales Tax Rules, 1959.*

* 186. *Notification issued with G.O. Ms. No. 4329, Revenue, dated 25th October 1960, under section 1 (4) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948).*

† *Bills passed by the Assembly and received therefrom in the Council.*

1. *The Evacuee Interest (Separation) Madras Supplementary Bill, 1961 (L.A. Bill No. 7 of 1961) (as passed by the Assembly).*

2. *The Madras State Aid to Industries (Amendment) Bill, 1961 (L.A. Bill No. 26 of 1960) (as passed by the Assembly).*

3. *The Madras General Sales Tax (Amendment) Bill, 1961 (L.A. Bill No. 1 of 1961) (as passed by the Assembly).*

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* Laid on the table of the House on 25th January 1961.

† Sent by special messenger on 30th January 1961.

APPENDIX I.

[Vide answer to starred question No. 52 asked by Dr. A. Sreenivasan at the meeting of the Legislative Council held on 31st January 1961, page 243 supra.]

Fertiliser plant at Avadi—Periodical inspection—Report by the Public Health Authorities.

I inspected the fertiliser plant at Avadi along with the District Health Officer, Chingleput, to-day (15th December 1960). In my previous inspection report, it was pointed out that the nuisance due to the working of the factory arose from (1) the discharge of acid effluents polluting water resources and (2) storage of bones within the factory premises. I find that the factory management has stopped the flow of acid effluents into the channel. They have engaged a full-time tractor and trailer by which the entire acid discharged is transported to their glue factory at Kaduvetty village on the Avadi-Poonamallee Road. A maximum of 4,000 gallons of acid discharge is produced per day and the entire quantity is transported to the above place. I inspected the glue factory at Kaduvetty, to see how the transported effluent is being finally disposed of. It is found that the entire quantity is discharged by means of hose pipe into a masonry cistern constructed for the purpose, and the effluent so collected is taken by means of hose pipe by suction to their glue manufacturing plants. No part of the discharge is let into the river or into the drain or into any water course. The entire quantity is used for the preparation of glue.

2. *Kaduvetty village.*—There is no village by name Kaduvetty. only the locality is being called Kaduvetty. There are no residential houses any where nearby within a radius of 1½ miles, As such there is absolutely no danger to Public Health or any nuisance arising out of the above arrangement.

There is a certain amount of spillage during the transit of the acid discharge (at present transported in vans). The Management have assured that they will be providing very shortly a cylinderical cistern of adequate capacity, which will be mounted on the trailer. The arrangements made so far for the transport of the effluent and the final disposal are found to be very satisfactory and if the cylinderical cistern is also provided, it will be found to be very efficient and perfectly satisfactory.

With regard to the storage of bones within the factory premises, I find that more than 50 per cent of the bones have been utilised and that the balance will be fully utilised within the period of 3 months granted to them for abating the nuisance In this connection, it has to be pointed out that the prosecution against the factory was withdrawn on the express understanding that the raw bones will not be stored within the factory premises after a period of three months.

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APPENDIX II.

[Vide item IV (1) on page 13 supra.]

(L.A. BILL No. 32 OF 1960.)

(As passed by the Assembly.)

A Bill further to amend the Madras Cinemas (Regulation) Act, **1955.**

WHEREAS it is expedient further to amend the Madras Cinemas (Regulation) Act, 1955 (Madras Act IX of 1955), for the purposes hereinafter appearing;

BE it enacted in the Eleventh Year of the Republic of India, as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras Cinemas (Regulation) Amendment Act, 1960.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

2. *Amendment of section* 5, *Madras Act IX of* 1955.—In section 5 of the Madras Cinemas (Regulation) Act, 1955 (Madras Act IX of 1955) (hereinafter referred to as the principal Act)—

(i) in sub-section (7), for the words " the decision of the licensing authority refusing to grant a licence under this Act or refusing to approve any transfer ", the words " the decision of the licensing authority granting, or refusing to grant, a licence under this Act or approving, or refusing to approve, any transfer " shall be substituted;

(ii) after sub-section (7), the following sub-section shall be added, namely :—

" (8) The appellate authority referred to in sub-section (7) may stay the execution of any such decision, pending the exercise of its powers under sub-section (7) in respect thereof."

3. *Amendment of section 5-A, Madras Act IX of* 1955.—In sub-section (2) of section 5-A of the principal Act, for the words and figures " sections 5, 8 and 9 ", the words, figures and letter " sections 5, 8, 9 nd 9-A " shall be substituted.

4. *Amendment of section* 9, *Madras Act IX of* 1955.—(1) Section 9 of the principal Act shall be re-numbered as sub-section (1) of that section and in the heading to that section, after the words " to revoke ", the words " or suspend " shall be inserted.

(2) After the sub-section as so re-numbered, the following sub-sections shall be added, namely :—

" (2) If the licensing authority is satisfied, either on a reference made to it in this behalf or otherwise, that—

(*a*) a licence granted under this Act has been obtained by misrepresentation or fraud as to an essential fact, or

(*b*) the licensee has, without reasonable cause, failed to comply with any of the provisions of this Act or of the rules made thereunder, or any of the conditions or restrictions upon or subject

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to which the licence has been granted, then without prejudice to any other penalty to which the licensee may be liable under this Act, the licensing authority may, after giving the licensee an opportunity of showing cause, revoke or suspend the licence.

(3) Where the licensing authority revokes or suspends any licence under sub-section (2), it shall do so by an order communicated to the licensee giving the reasons in writing for such revocation or suspension ".

5. *Insertion of new section 9-A in Madras Act IX of* 1955.—After section 9 of the principal Act, the following section shall be inserted, namely :—

" 9-A. *Appeal against revocation or suspension of licence.*—(1) Any person aggrieved by the decision of the licensing authority revoking or suspending a licence under sub-section (2) of section 9 may, within such time as may be prescribed, appeal to such authority as the Government may specify in this behalf and such authority may make such order in the case as it may think fit.

(2) The appellate authority referred to in sub-section (1) may stay the execution of any such decision, pending the exercise of its powers under sub-section (1) in respect thereof ".

6. *Amendment of section* 10, *Madras Act IX of* 1955 —In sub-section (2) of section 10 of the principal Act, after clause (*j*), the following clause shall be added, namely :—

" (*k*) the time within which and the conditions subject to which an appeal under section 9-A may be preferred and the fees to be paid in respect of such appeal ".

MEMORANDUM REGARDING DELEGATED LEGISLATION.

New section 9-A (1) proposed to be insered by clause 5 and new clause (*k*) of section 10 (2) proposed to be added by clause 6 of the Bill authorise the Government to prescribe the time within which and the conditions subject to which an appeal against revocation or suspension of licence or permission may be preferred and the fees to be paid in respect of such appeal. New section 9-A (1) also empowers the Government to specify the authority to whom appeal shall be under that section. The powers delegated are normal and not of any exceptional character.

APPENDIX III.

[Vide item IV (2) on page 256 supra.]

(L.A. BILL No. 7 OF 1961.)

(As passed by the Assembly.)

A Bill to supplement the provisions of the Evacuee Interest (Separation) Amendment Act, 1960.

Whereas it is expedient to supplement the provisions of the Evacuee Interest (Separation) Amendment Act, 1960 (Central Act 27 of 1960), for the purposes hereinafter appearing;

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Be it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and extent.*—(1) This Act may be called the Evacuee Interest (Separation) Madras Supplementary Act, 1961.

(2) It extends to the whole of the State of Madras.

2. *Application of Evacuee Interest (Separation) Amendment Act*, 1960, *to the State.*—The amendments made to the Evacuee Interest (Separation) Act, 1951 (Central Act LXIV of 1951), by the Evacuee Interest (Separation) Amendment Act, 1960 (Central Act 27 of 1960), shall, in so far as they relate to any matter enumerated in List II in the Seventh Schedule to the Constitution, be as valid and binding as if the provisions of the said amendments had been enacted by the Legislature of the State of Madras.

3. *Repeal.*—The Evacuee Interest (Separation) Madras Supplementary Ordinance, 1960 (Madras Ordinance 2 of 1960), is hereby repealed.

APPENDIX IV.

[Vide item IV (3) on page 258 supra.]

(L.A. BILL No. 26 OF 1960.)

(As passed by the Assembly.)

A Bill further to amend the Madras State Aid to Industries Act, 1922.

Whereas it is expedient further to amend the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923), for the purposes hereinafter appearing;

Be it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras State Aid to Industries (Amendment) Act, 1961.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

2. *Amendment of section* 1-*A*, *Madras Act V of* 1923.—In section 1-A of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923 (hereinafter referred to as the principal Act)—

(i) after clause (i), the following clause shall be inserted, namely :—

" (i-*a*) 'sanctioning authority' means any authority, officer or other person authorized to grant aid by or under this Act;";

(ii) after clause (ii), the following clause shall be inserted, namely :—

" (ii-*a*) 'transfer' with all its grammatical variations and cognate expressions includes sale, exchange, mortgage, charge, lease or gift; ".

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3. *Amendment of section* 8, *Madras Act V of* 1923.—In section 8 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely :—

" (3) Every application for aid exceeding in amount or value twenty-five thousand rupees shall be placed before the Board of Industries for advice."

4. *Amendment of section* 10, *Madras Act V of* 1923.—In section 10 of the principal Act—

(i) after sub-section (1), the following sub-section shall be inserted, namely :—

" (1-A) Notwithstanding anything contained in sub-section (1), but subject to such conditions, restrictions and limitations as may be prescribed, loans may be granted under this Act on the personal security of the applicant, and every such loan shall bear interest payable on such dates and at such rates as the State Government may determine.";

(ii) in sub-section (2), for the word, brackets and figure " sub-section (1) ", the words, brackets, figures and letter " sub-section (1) or sub-section (1-A) " shall be substituted.

5. *Insertion of new sections* 10-*A and* 10-*B in Madras Act V of* 1923.—After section 10 of the principal Act, the following sections shall be inserted, namely :—

" 10-A. *Prohibition of transfer of property without permission of the sanctioning authority.*—(1) Where, before or after the commencement of the Madras State Aid to Industries (Amendment) Act, 1961, any property has been taken as security for any loan granted or any grant made under this Act, then, notwithstanding anything to the contrary in any other law for the time being in force or in the deed of transfer or other document relating to such property, such property shall not be transferred without the written permission of the sanctioning authority.

(2) The sanctioning authority may, in its discretion, by order, permit the transfer of any such property, if the transfer is made in furtherance of the purposes for which the loan was granted or the grant was made, and the assets resulting from the transfer are to be wholly utilized in furtherance of the said purposes.

Explanation.—When granting permission under this sub-section, the sanctioning authority may impose such condition as it may deem fit to ensure that the assets resulting from the transfer are wholly utilized in furtherance of the purposes for which the loan was granted or the grant was made; but a contravention of any such condition imposed on the transferor shall not invalidate the transfer.

(3) If any such property is transferred without such permission, the transfer shall be null and void.

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10-B. *Court not to attach, sell, etc., without permission of the sanctioning authority.*—(1) No property referred to in section 10-A shall be liable to be attached, sold, or made subject to a charge by any court, whether in execution of a decree or order or otherwise, unless the person seeking such relief from the Court has obtained the written permission of the sanctioning authority to do so and files such permission in court.

(2) When granting such permission, the sanctioning authority may impose such conditions as it may deem fit to secure the proper repayment of the loan or grant together with any interest chargeable thereon and cost, if any, incurred.

(3) If any such property is attached or sold, or a charge is created thereon by any court without the permission of the sanctioning authority having been obtained and filed as aforesaid, or if any condition imposed by the sanctioning authority when granting such permission is contravened, then, the attachment, sale or charge, as the case may be, shall be null and void."

6. *Amendment of section* 17-B, *Madras Act V of* 1923.—In section 17-B of the principal Act—

(*a*) in sub-section (1), brackets and figure " (1) " occurring at the commencement shall be omitted;

(*b*) sub-section (2) shall be omitted.

7. *Insertion of new sections* 17-C *and* 17-D *in Madras Act V of* 1923.—After section 17-B of the principal Act, the following sections shall be inserted, namely :—

" 17-C. *Appeal.*—(1) Any person who is aggrieved by a decision granting or refusing to grant aid under this Act may, within such time as may be prescribed, appeal—

(*a*) where the decision is that of the Director of Industries and Commerce, to the State Government;

(*b*) where the decision is that of any other authority, officer or person, to the prescribed authority or officer.

(2) The appellate authority may make such order in the case as it may think fit :

Provided that the appellate authority shall not pass any order prejudicial to any party unless he has had a reasonable opportunity of making his representations.

(3) Every order passed in appeal under this section shall, subject to the provision of section 17-D, be final.

17-D. *Power of Government to call for records and pass orders.*—(1) The State Government may call for and examine the record of any officer or authority subordinate to them in respect of any proceeding to satisfy themselves as to the regularity of such proceeding or the correctness, legality or propriety of any decision or order passed therein; and if, in any case, it appears to the State Government that any such decision or order should be modified, annulled, reversed or remitted for reconsideration, they may pass orders accordingly :

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Provided that the State Government shall not pass any order prejudicial to any party unless he has had a reasonable opportunity of making his representations.

(2) No application to the State Government for the exercise of their power under sub-section (1) shall be made in respect of any proceeding of any officer or authority other than the Director of Industries and Commerce or of any decision or order passed in any such proceeding unless an appeal had already been preferred in respect of such proceeding, decision or order under section 17-C and such appeal had been disposed of.".

8. *Amendment of section* 19, *Madras Act V of* 1923.—In section 19 of the principal Act—

(1) in sub-section (*a*), after the words "The State Government may", the words "by notification", shall be inserted;

(2) in sub-section (*b*),—

(*a*) in clause (5), for the words "Director of Industries and Commerce", the words "sanctioning authority" shall be substituted; and

(*b*) for clause (15), the following clause shall be substituted, namely :—

"(15) the conditions under which and the security on which loans shall be granted or guarantees of a cash credit, overdraft or fixed advance with a bank given to any industrial business or enterprise under this Act;";

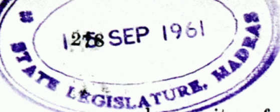
(3) for the proviso, the following sub-sections shall be substituted, namely :—

(*c*) All rules made under this Act shall be published in the *Fort St. George Gazette* and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(*d*) Every rule made under this Act shall, as soon as possible, after it is made, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session, in which it is so placed or the next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

MEMORANDUM REGARDING DELEGATED LEGISLATION.

New sub-section (1-A), proposed to be inserted in section 10 of the principal Act by clause 4 of the Bill, empowers the State Government to prescribe the conditions, restrictions and limitations subject to which loans may be granted under the Act on the



personal security of the applicant and to determine the rates at which and the dates on which interest on such loans shall be payable.

New section 17-C proposed to be inserted by clause 7 of the Bill, empowers the State Government to prescribe the time within which any person aggrieved by a decision granting or refusing to grant aid under the Act may appeal to the authority specified therein. Again, clause (*b*) of sub-section (1) of that section empowers the State Government to prescribe the authority or officer to whom an appeal shall lie against the decision of any authority, officer or person other than the Director of Industries and Commerce, granting or refusing to grant aid.

The delegation of power referred to above is necessary to give effect to the provisions of the Bill when enacted, and is of a normal character.

APPENDIX V.

[Vide item IV (4) on page 267 supra.]

(L.A. Bill No. 1 OF 1961.)

A Bill further to amend the Madras General Sales Tax Act, 1959.

WHEREAS it is expedient further to amend the Madras General Sales Tax Act, 1959 (Madras Act 1 of 1959), for the purpose hereinafter appearing;

BE it enacted in the Twelfth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Madras General Sales Tax (Amendment) Act, 1961.

(2) It shall be deemed to have come into force on the 19th October 1960.

2. *Amendment of the First Schedule, Madras Act* 1 *of* 1959.—In the First Schedule to the Madras General Sales Tax Act, 1959 (Madras Act 1 of 1959), item 48 shall be omitted.

I certify that this is a Money Bill.

FORT ST. GEORGE,
MADRAS-9,
Dated 30th January 1961.

U. KRISHNA RAU,
Speaker, Madras Legislative Assembly.